

Exhibit No. 5Date 3-23-07Bill No. HB-679

**Department of Administration**  
**HB 679 FACT SHEET**  
**March 23, 2007**

<b>Years of Service</b>	<b>HB 679 Flexible Leave Accrual Rate/Yr</b>	<b>Current Annual Leave Accrual Rate/Yr</b>	<b>Current Sick Leave Accrual Rate/Yr</b>	<b>Annual Benefit Reduction With HB 679</b>
1-5	15 Days	15 Days	12 Days	12 Days
5-10	20 Days	15 Days	12 Days	7 Days
10-15	25 Days	18 Days	12 Days	5 Days
15-20	26 – 30 Days	21 Days	12 Days	3 – 7 Days
20+ years	30 Days	24 Days	12 Days	6 Days
<b>Maximum Accrual</b>	2 years	2 x the maximum number of days earned annually	Unlimited	Unlimited sick leave accrual
<b>Termination Cash Out</b>	All unused leave	All unused leave	¼ accumulated	¼ accumulated sick leave

- HB 679 reduces leave benefits for state employees only (i.e., new hires or rehires after July 1, 2007) and not for university, city, county or non-certified school employees. A reduction in benefits sends a negative message to state employees. Different benefits plans may lead to an inconsistent application and administration of leave policies.
- Over 60% of the state's workforce will be eligible to retire in the next 3 years. Montana's unemployment rate is 2.8%. Both factors indicate that the state needs a very competitive total compensation package (pay and benefits).
- The state is 3.9% behind the relevant labor market when you compare the total compensation package. Reducing paid leave benefits will place the state even further behind the market, and make it more difficult to effectively recruit and retain qualified and skilled workers.
- HB 679 caps accrued leave for new state employees at two years. This cap puts a financial burden on new employees who take maternity leave, or if they or a household member experience a long-term illness. New employees will not be eligible to participate in the state's Sick Leave Fund and Direct Grant programs. Private sector employers typically offer a short-term disability benefit to address long-term or catastrophic illnesses. The state has no such benefit.